

1 1. Strike the original sections and insert the following  
2 new sections:  
3 "Section 1. Section 77-2602, Revised Statutes  
4 Supplement, 2001, is amended to read:  
5 77-2602. (1) Every person engaged in distributing or  
6 selling cigarettes at wholesale in this state shall pay to the Tax  
7 Commissioner of this state a special privilege tax. This shall be  
8 in addition to all other taxes. It shall be paid prior to or at  
9 the time of the sale, gift, or delivery to the retail dealer in the  
10 several amounts as follows: On each package of cigarettes  
11 containing not more than twenty cigarettes, ~~thirty-four~~ fifty-four  
12 cents per package; and on packages containing more than twenty  
13 cigarettes, the same tax as provided on packages containing not  
14 more than twenty cigarettes for the first twenty cigarettes in each  
15 package and a tax of one-twentieth of the tax on the first twenty  
16 cigarettes on each cigarette in excess of twenty cigarettes in each  
17 package. Commencing July 1, 1994, and continuing until July 1,  
18 ~~2009~~ 2002, the State Treasurer shall place the equivalent of  
19 twenty-one cents of such tax less three million dollars each fiscal  
20 year of proceeds of such tax in the General Fund. Commencing on  
21 July 1, 2002, and continuing until July 1, 2016, the State  
22 Treasurer shall place the equivalent of thirty-nine cents of such  
23 tax less three million dollars each fiscal year of proceeds of such  
24 tax in the General Fund. Commencing July 1, ~~2009~~ 2016, the State  
25 Treasurer shall place the equivalent of ~~twenty-one~~ forty-one cents  
26 of such tax in the General Fund. For purposes of this section, the  
27 equivalent of a specified number of cents of the tax shall mean  
28 that portion of the proceeds of the tax equal to the specified  
29 number divided by ~~thirty-four~~ fifty-four. The State Treasurer  
30 shall distribute the remaining proceeds of such tax in the  
31 following order:  
32 (a) First, beginning July 1, 1980, the State Treasurer  
33 shall place the equivalent of one cent of such tax in the Nebraska  
34 Outdoor Recreation Development Cash Fund. For fiscal year  
35 distributions occurring after FY1998-99, the distribution under  
36 this subdivision shall not be less than the amount distributed  
37 under this subdivision for FY1997-98. Any money needed to increase  
38 the amount distributed under this subdivision to the FY1997-98  
39 amount shall reduce the ~~twenty-one cent~~ distribution to the General  
40 Fund;  
41 (b) Second, beginning July 1, 1993, the State Treasurer  
42 shall place the equivalent of three cents of such tax in the  
43 Department of Health and Human Services Finance and Support Cash  
44 Fund to carry out sections 81-637 to 81-640. For fiscal year  
45 distributions occurring after FY1998-99, the distribution under  
46 this subdivision shall not be less than the amount distributed  
47 under this subdivision for FY1997-98. Any money needed to increase  
48 the amount distributed under this subdivision to the FY1997-98  
49 amount shall reduce the ~~twenty-one cent~~ distribution to the General  
50 Fund;  
51 (c) Third, beginning July 1, 2001, and continuing until  
52 July 1, 2002, the State Treasurer shall place the equivalent of  
53 five cents of such tax in the Building Renewal Allocation Fund.  
54 Beginning on July 1, 2002, and continuing until July 1, 2016, the  
55 State Treasurer shall place the equivalent of seven cents of such  
56 tax in the Building Renewal Allocation Fund. Beginning on July 1,  
57 2016, and continuing until all the purposes of the Deferred  
58 Building Renewal Act have been fulfilled, the State Treasurer shall  
59 place the equivalent of five cents of such tax in the Building  
60 Renewal Allocation Fund. The Legislature shall appropriate each  
61 fiscal year all sums inuring to the fund, plus interest earnings

11 for the Task Force for Building Renewal to be used to carry out its  
12 duties and to fulfill the purposes of the Deferred Building Renewal  
13 Act. Unexpended balances existing at the end of each fiscal year  
14 shall be, and are hereby, reappropriated. For fiscal year  
15 distributions occurring after FY1998-99, the distribution under  
16 this subdivision shall not be less than five-sevenths of the amount  
17 distributed under this subdivision for FY1997-98. Any money needed  
18 to increase the amount distributed under this subdivision to  
19 five-sevenths of the FY1997-98 amount shall reduce the  
20 ~~twenty-one cent~~ distribution to the General Fund;

21 (d) Fourth, the State Treasurer shall place the  
22 difference between the equivalent of thirteen cents of such tax and  
23 the sum of the amounts distributed pursuant to subdivisions (a)  
24 through (c) and (f) through (h) of this subsection in a special  
25 fund to be known as the Nebraska Capital Construction Fund;

26 (e) Fifth, beginning July 1, 1994, and continuing until

27 July 1, 2009, the State Treasurer shall place in the Municipal  
1 Infrastructure Redevelopment Fund the sum of three million dollars  
2 each fiscal year to carry out the Municipal Infrastructure  
3 Redevelopment Fund Act. The Legislature shall appropriate the sum  
4 of three million dollars each year for fiscal year 1994-95 through  
5 fiscal year 2008-09;

6 (f) Sixth, beginning July 1, 2001, the State Treasurer  
7 shall place the equivalent of two cents of such tax in the  
8 Information Technology Infrastructure Fund;

9 (g) Seventh, beginning July 1, 2001, and continuing until  
10 June 30, 2016, the State Treasurer shall place one million dollars  
11 each fiscal year in the City of the Primary Class Development Fund.  
12 If necessary, the State Treasurer shall reduce the distribution of  
13 tax proceeds to the General Fund pursuant to this subsection by  
14 such amount required to fulfill the one million dollars to be  
15 distributed pursuant to this subdivision; and

16 (h) Eighth, beginning July 1, 2001, and continuing until  
17 June 30, 2016, the State Treasurer shall place one million five  
18 hundred thousand dollars each fiscal year in the City of the  
19 Metropolitan Class Development Fund. If necessary, the State  
20 Treasurer shall reduce the distribution of tax proceeds to the  
21 General Fund pursuant to this subsection by such amount required to  
22 fulfill the one million five hundred thousand dollars to be  
23 distributed pursuant to this subdivision.

24 (2) The Legislature hereby finds and determines that the  
25 projects funded from the Municipal Infrastructure Redevelopment  
26 Fund and the Building Renewal Allocation Fund are of critical  
27 importance to the State of Nebraska. It is the intent of the  
1 Legislature that the allocations and appropriations made by the  
2 Legislature to such funds or, in the case of allocations for the  
3 Municipal Infrastructure Redevelopment Fund, to the particular  
4 municipality's account not be reduced until all contracts and  
5 securities relating to the construction and financing of the  
6 projects or portions of the projects funded from such funds or  
7 accounts of such funds are completed or paid or, in the case of the  
8 Municipal Infrastructure Redevelopment Fund, the earlier of such  
9 date or July 1, 2009, and that until such time any reductions in  
10 the cigarette tax rate made by the Legislature shall be

11 simultaneously accompanied by equivalent reductions in the amount  
12 dedicated to the General Fund from cigarette tax revenue. Any  
13 provision made by the Legislature for distribution of the proceeds  
14 of the cigarette tax for projects or programs other than those to

15 (a) the General Fund, (b) the Nebraska Outdoor Recreation  
16 Development Cash Fund, (c) the Department of Health and Human  
17 Services Finance and Support Cash Fund, (d) the Municipal

18 Infrastructure Redevelopment Fund, (e) the Building Renewal  
19 Allocation Fund, (f) the Information Technology Infrastructure  
20 Fund, (g) the City of the Primary Class Development Fund, and (h)  
21 the City of the Metropolitan Class Development Fund shall not be  
22 made a higher priority than or an equal priority to any of the  
23 programs or projects specified in subdivisions (a) through (h) of  
24 this subsection.

4 Sec. 13. Section 77-4008, Reissue Revised Statutes of  
5 Nebraska, is amended to read:

6 77-4008. (1) Commencing on or after January 1, 1988, a  
7 tax is hereby imposed upon the first owner of tobacco products to  
8 be sold in this state. The tax shall be ~~fifteen~~ twenty percent of  
9 (a) the purchase price of such tobacco products paid by the first  
10 owner or (b) the price at which a first owner who made,  
11 manufactured, or fabricated the tobacco product sells the items to  
12 others. Such tax shall be in addition to all other taxes.  
13 (2) Whenever any person who is licensed under section  
14 77-4009 purchases tobacco products from another person licensed  
15 under section 77-4009, the seller shall be liable for the payment  
16 of the tax.